



A Monthly Report from the Consumer Research Center

Consumer Confidence Survey

May, 1990

Consumers Less Confident

Consumer Confidence, which had perked up in March, gave back all of the gain in April. The Board's Confidence Index (1985=100) now stands at 106.0, a decline of about four and a half points for the month. In the latest probe, people were less positive in their evaluation of prevailing economic conditions, and also somewhat less optimistic in their expectations.

On the question concerning prevailing business conditions, slightly fewer people than previously now say they are "good". Only about 23% now express this view, down from 25% the month before. People are also less secure about jobs than previously. Now, less than 26% say they are "plentiful", compared with a prior 29 percent.

In expectations for the next six months, there is also increased concern about the employment situation. Now, only 14% expect more jobs to become available over the next six months, down from over 16% last time. Also, fewer people now expect general business conditions to improve—not quite 17%, down from over 19% earlier. There has been very little change in consumers' assessment of their personal economic fortunes in the coming months. Over 28% expect that their incomes will increase, slightly than last time.

Consumer buying plans in April were mostly weaker. Now, only 6% of respondents say that they plan to buy an automobile over the next six months, a sharp drop from the levels which had been registered in the first three months of the year. Intentions to purchase a home are also down precipitously, to only 2.8% of all respondents, compared with 3.9% a month earlier. Rising mortgage rates evidently had something to do with this. Interest in purchasing a major appliance has continued substantially unchanged since the beginning of the year.

The loss in consumer confidence in April can be attributed almost entirely to growing uneasiness about jobs, present and future. Although the nation's unemployment rate has remained unchanged for some months—at slightly more than 5%—the number of new jobs in March dropped abruptly and sharply. According to the government's official figures, there were some 350,000 new jobs in January, and again in February. But in March there were very few new jobs reported. This sharp shift in job prospects has probably contributed to the uneasiness picked up in the April confidence survey.

Fabian Linden

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

Percentage of all households = 100%														
	Business									Employment		Income		
	1989										1990			
All series seasonally adjusted.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.(r)	Apr.(p)	
Composite Series: Index Numbers, 1985 = 100														
Consumer Confidence Index	116.6	116.7	117.2	120.4	115.4	116.3	117.0	115.1	113.0	106.5	106.7	110.6	106.0	
Present Situation	138.9	137.2	135.5	141.1	133.0	131.7	133.0	132.3	125.9	120.7	126.3	123.7	117.3	
Expectations	101.8	103.0	105.1	106.6	103.7	106.1	106.4	103.7	104.4	97.0	93.7	101.9	98.4	
Appraisal of Present Situation: Percent														
Business Conditions														
Good	28.9	30.1	28.3	31.6	27.5	27.1	28.0	26.2	25.1	22.7	25.1	24.9	23.3	
Bad	16.4	16.5	17.2	15.5	17.4	16.9	16.9	15.2	17.3	18.9	18.1	19.7	19.4	
Normal	54.7	53.4	54.5	52.9	55.1	56.0	55.1	58.6	57.6	58.4	56.8	55.4	57.3	
Employment														
Jobs plentiful	34.5	34.1	33.2	33.1	31.6	30.4	30.4	29.6	27.0	27.2	28.1	29.2	25.6	
Jobs not so plentiful	45.7	44.8	46.4	47.6	48.1	48.9	49.4	49.7	52.4	51.2	51.4	49.0	51.8	
Jobs hard to get	19.8	21.1	20.4	19.3	20.3	20.7	20.2	20.7	20.6	21.6	20.5	21.8	22.6	
Expectations for Six Months Hence: Percent														
Business Conditions														
Better	17.3	20.7	20.1	18.8	18.3	18.3	19.5	17.6	18.3	17.0	16.7	19.4	16.8	
Worse	8.8	8.9	8.7	8.4	8.3	7.5	7.9	8.3	8.1	9.7	11.4	9.5	8.9	
Same	73.9	70.4	71.2	72.8	73.4	74.2	72.6	74.1	73.6	73.3	71.9	71.1	74.3	
Employment														
More jobs	15.4	18.9	17.9	18.6	17.2	17.4	17.3	16.1	16.6	14.6	14.3	16.6	14.9	
Fewer jobs	13.1	15.6	14.2	13.2	14.3	13.8	13.7	14.0	14.9	16.8	17.4	15.4	16.0	
Same	71.5	65.5	67.9	68.2	68.5	68.8	69.0	69.9	68.5	68.6	68.3	66.0	69.1	
Income														
Increase	25.8	26.5	27.0	27.3	26.1	28.5	27.7	29.3	30.2	28.7	26.6	27.6	28.4	
Decrease	7.0	8.1	6.7	6.8	6.6	6.6	6.3	6.3	5.9	6.1	6.0	6.3	6.5	
Same	67.2	65.4	66.3	65.9	67.3	64.9	66.0	64.4	63.9	65.2	67.4	66.1	65.1	
Plans to Buy Within Six Months: Percent														
Automobile														
Yes	7.3	8.5	6.7	7.1	7.4	8.1	6.7	6.9	7.1	7.5	7.6	8.1	6.1	
New	4.0	4.0	3.6	3.6	4.2	3.6	3.7	3.2	3.3	4.1	3.2	4.0	3.8	
Used	2.7	3.2	2.5	2.4	2.6	3.3	2.2	2.9	2.8	3.0	3.3	3.3	1.9	
Uncertain	0.6	1.3	0.6	1.1	0.6	1.2	0.8	0.8	1.0	0.4	1.1	0.8	0.4	
Home														
Yes	3.2	3.4	3.3	3.7	3.5	3.1	3.3	3.0	3.3	3.6	4.1	3.9	2.8	
New	1.0	0.9	0.6	1.1	1.1	0.9	1.0	1.1	0.9	0.9	1.0	1.2	0.8	
Lived in	1.5	1.4	1.8	1.8	1.6	1.4	1.4	1.5	1.7	1.9	1.9	1.6	1.3	
Uncertain	0.7	1.1	0.9	0.8	0.8	0.8	0.9	0.4	0.8	0.8	1.2	1.1	0.7	
Major appliances														
Total plans	31.6	27.4	26.8	30.5	28.3	27.4	31.1	25.7	28.8	30.8	31.5	31.9	30.8	
Refrigerator	5.4	4.5	4.6	4.4	4.0	4.1	4.7	3.8	4.1	5.2	4.3	5.1	4.5	
Washing machine	4.2	3.1	3.4	4.5	3.9	3.5	4.8	3.7	4.4	3.8	4.8	4.4	3.6	
TV Set	7.0	6.8	5.3	8.0	6.9	6.6	7.5	6.2	7.9	7.0	7.8	7.3	7.4	
Vacuum Cleaner	4.7	5.2	5.0	4.8	5.8	4.7	4.9	4.6	5.0	5.6	5.1	6.3	5.8	
Range	3.5	2.8	2.5	3.3	2.5	2.4	3.3	2.8	2.3	3.3	3.1	2.9	3.9	
Clothes dryer	3.8	2.6	3.7	3.3	3.3	2.8	3.9	3.1	3.4	3.3	3.7	3.8	3.6	
Air conditioner	3.0	2.4	2.3	2.2	1.9	3.3	2.0	1.5	1.7	2.6	2.7	2.1	2.0	
Carpet	6.7	6.7	5.9	7.6	6.9	6.0	6.9	5.8	6.4	6.2	6.9	6.5	6.1	
Vacation Intended Within Six Months: Percent														
Vacation Intended	46.8		45.7		50.2		49.0		52.4		49.9		47.4	
Destination														
U.S.	38.6		40.8		42.8		41.8		44.4		42.8		40.3	
Foreign country	8.1		8.4		9.4		8.6		9.5		9.3		8.6	
Means of travel														
Automobile	26.8		27.7		30.1		28.9		29.6		28.7		28.0	
Airplane	17.0		18.4		18.8		18.0		19.7		19.6		18.5	
Other	4.1		4.5		4.0		4.2		4.9		4.4		3.8	

(p)—preliminary (r)—revised

ATTENTION DATA USERS: Data in this publication are available online. For information, phone (212) 339-0216.

THE CONFERENCE BOARD, 845 THIRD AVENUE, NEW YORK, N.Y. 10022

Inflation	Interest Rates		Stock Prices											
			1989								1990			
Not seasonally adjusted	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan.	Feb.	Mar. (r)	Apr. (p)	
Expectations for Twelve Months Hence: Percent														
Inflation Rate														
Average	5.1	4.9	4.7	4.8	4.7	4.7	4.8	4.7	4.7	5.2	4.8	4.9	4.8	
Interest Rates														
Higher	76.4	69.9	57.3	52.4	44.9	52.4	56.0	52.1	49.0	47.2	52.5	58.7	54.7	
Same	14.8	17.6	21.5	21.6	25.1	26.4	25.6	27.7	25.9	24.1	26.0	23.9	27.7	
Lower	8.8	13.5	21.2	26.0	30.0	21.2	18.4	20.2	25.1	28.7	21.5	17.4	17.6	
Stock Prices														
Increase	39.9	42.7	44.0	41.0	41.8	46.0	45.0	38.0	42.2	41.6	35.0	39.0	36.8	
Same	35.9	33.3	34.6	34.9	34.7	32.7	33.3	36.9	34.9	35.1	35.7	34.8	37.5	
Decrease	24.2	24.0	21.4	24.1	23.5	21.3	21.7	25.1	22.9	23.3	29.3	26.2	25.7	

CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: 1985 = 100	1989										1990				AVERAGE: Feb., Mar., Apr.			Percent Change*
	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.(r)	Apr.(p)	1989	1990			
NEW ENGLAND																		
Consumer Confidence Index	138.5	129.7	118.3	123.4	113.7	117.5	116.3	92.7	92.9	72.4	80.5	85.7	64.1	144.1	76.7	-46.7		
Present Situation	198.3	189.4	180.0	183.9	170.0	176.7	168.2	129.8	130.3	101.3	105.4	96.8	73.2	200.5	91.8	-54.2		
Expectations	98.7	89.9	77.2	83.2	76.2	78.1	81.8	67.9	68.0	53.2	63.9	78.3	58.0	106.5	66.7	-37.3		
MIDDLE ATLANTIC																		
Consumer Confidence Index	117.8	112.6	122.1	116.1	114.5	120.8	119.2	120.9	113.3	109.0	101.4	98.6	93.8	120.0	97.9	-18.4		
Present Situation	150.7	137.8	155.9	150.1	144.5	149.8	151.1	151.9	144.2	128.7	126.6	111.1	106.4	148.9	114.7	-23.0		
Expectations	95.9	95.8	99.5	93.4	94.5	101.5	98.0	100.2	92.8	95.9	84.6	90.3	85.5	100.7	86.8	-13.9		
EAST NORTH CENTRAL																		
Consumer Confidence Index	113.9	114.9	115.3	118.2	114.1	118.0	121.2	114.3	113.8	105.5	102.4	110.7	108.3	116.5	107.1	- 8.1		
Present Situation	132.9	137.4	137.1	144.0	140.6	142.2	147.6	139.3	130.6	119.4	117.2	117.2	123.1	133.0	119.1	-10.4		
Expectations	101.2	100.0	100.8	101.0	96.4	101.9	103.6	97.6	102.7	96.2	92.5	106.3	98.5	105.6	99.1	- 6.1		
WEST NORTH CENTRAL																		
Consumer Confidence Index	89.4	80.4	84.5	97.7	93.7	91.6	113.0	112.5	103.0	95.7	98.2	92.3	98.8	97.3	96.4	- 0.9		
Present Situation	101.0	94.2	95.5	118.5	101.1	110.9	131.1	122.9	122.1	102.8	105.1	101.1	102.1	97.5	102.7	5.4		
Expectations	81.7	71.2	77.1	83.9	88.8	78.8	101.0	105.5	90.3	91.0	93.6	86.4	96.6	97.2	92.2	- 5.1		
SOUTH ATLANTIC																		
Consumer Confidence Index	134.0	133.7	140.1	141.6	136.9	136.5	140.2	140.3	124.9	124.6	125.2	130.2	120.5	135.2	125.3	- 7.3		
Present Situation	171.9	165.3	172.8	178.2	170.6	166.6	174.1	174.8	157.3	147.7	148.3	156.8	147.0	169.8	150.7	-11.3		
Expectations	108.8	112.6	118.4	117.2	114.5	116.5	117.6	117.3	103.3	109.3	109.8	112.5	102.8	112.1	108.4	- 3.4		
EAST SOUTH CENTRAL																		
Consumer Confidence Index	88.9	106.5	100.1	103.7	88.8	101.0	101.9	104.6	99.5	90.6	87.6	101.7	93.6	103.0	94.3	- 8.4		
Present Situation	92.2	114.4	94.8	95.2	82.1	100.2	102.6	99.0	90.0	79.1	81.4	85.1	80.1	94.0	82.2	-12.6		
Expectations	86.7	101.2	103.6	109.5	93.3	101.6	101.4	108.3	105.8	98.3	91.7	112.8	102.6	109.0	102.4	- 6.1		
WEST SOUTH CENTRAL																		
Consumer Confidence Index	82.6	77.4	79.0	88.5	78.4	85.9	87.5	79.7	87.5	84.7	95.6	93.2	91.3	81.1	93.4	15.1		
Present Situation	38.8	44.2	46.0	59.9	41.8	45.8	47.5	54.6	48.4	43.9	58.7	57.7	58.8	34.7	58.4	68.0		
Expectations	111.8	99.5	100.9	107.5	102.9	112.7	114.2	96.4	113.5	112.0	120.2	116.9	112.9	112.1	116.7	4.1		
MOUNTAIN																		
Consumer Confidence Index	92.6	90.5	91.7	82.5	85.6	98.2	94.0	98.2	89.7	84.3	92.8	96.2	101.8	93.3	96.9	3.9		
Present Situation	77.3	75.1	70.6	68.1	71.2	87.7	70.4	74.7	58.1	53.7	69.0	68.2	67.6	67.1	68.3	1.7		
Expectations	102.8	100.8	105.8	92.1	95.3	105.3	109.8	113.9	110.8	104.7	108.6	114.9	124.6	110.8	116.0	4.8		
PACIFIC																		
Consumer Confidence Index	131.3	134.9	134.6	135.3	133.5	135.6	142.7	134.5	132.3	134.1	138.5	139.8	121.9	133.2	133.4	0.2		
Present Situation	165.5	173.2	171.3	171.3	170.3	173.7	178.1	167.3	169.9	166.5	174.6	167.8	156.3	162.3	166.2	2.4		
Expectations	108.5	109.4	110.1	111.3	109.0	110.2	119.1	112.7	107.3	112.6	114.4	121.1	99.0	113.7	111.5	- 1.9		

*Percent Change: Average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.

